

**TOPIC: TWO-YEAR CASH FUNDED CAPITAL PROGRAM LIST –
COLORADO SCHOOL OF MINES**

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I. SUMMARY

This submission is for the review of the newly submitted Two-Year Cash Funded Capital Program list for Colorado School of Mines (CSM). The list includes three new cash funded projects totaling \$22.43 million. The first is the General Research Laboratory (GRL) Annex costing \$5.9 million, the second is the Traditional Dormitories Renovation costing \$4.63 million, and the third is a request for \$2.3 million in increased spending authority for the previously approved Student Center Renovation Phase I project bringing the project total to \$11.9 million. The GRL Annex is funded through General Fund reserves, and the Traditional Dormitories Renovation is funded through auxiliary revenue. The total cost of Student Center Renovation including the request for additional spending authority will be financed through the Intercept Bond program backed by student fees, auxiliary reserves, and deferred maintenance funds. The Two-Year list is included as Attachment A.

II. BACKGROUND

Under state law, C.R.S. 23-1-106 (7) the Colorado Commission on Higher Education and the legislative Capital Development Committee must approve Two-Year cash funded capital program lists, any amendments to the list, and program plans for any project using the Intercept program. Governing boards have the authority to submit new Two-Year lists and amendments to the CCHE or Capital Development Committee (CDC) at any point during the fiscal year. However, projects on the Two-Year list may not commence until both the CCHE and the CDC consider and review the list. If a project is amended or the cost for an approved project changes by more than 15% of the original total, the CCHE must reapprove the submission. Every December, a comprehensive Two-Year Cash Funded Capital Program list comprised of all Governing Board projects is submitted to CCHE for approval. The list is then forwarded to the CDC for approval in January.

III. STAFF ANALYSIS

This GRL Annex is an academic project costing \$5.9 million. Table 1 displays the total cost for the new GRL Annex.

**Table 1:
Two-Year Cash Funded Capital Program
FY 2014-15 List**

CF	\$5,900,000
FF	\$0

TF	\$5,900,000
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This is an academic building, and it is eligible for controlled maintenance funds under SB 09-290. In accordance with the approval process for cash-funded projects, the Department will review all budget documents submitted. The project is slated to start in August of 2015 and be completed in December 2015. The total cost is \$5.9 million, and the project will be funded through General Fund reserves.

The project is described briefly below:

“GRL Annex” – The purpose of the project is to provide interior laboratory finishes, graduate student space, and equipment fit ups for the relocated laboratories in a general research laboratory building shell building. The labs were displaced by the demolition of Meyer Hall to make way for the CoorsTek Center for Applied Science and Engineering. Future use will be for relocated space for the Green Center Renovation and other research laboratory requirements.

The Traditional Dormitories Renovation is an auxiliary project costing \$4.63 million. Table 2 displays the total cost for the Traditional Dormitories Renovation.

Table 2:
Two-Year Cash Funded Capital Program
FY 2014-15 List

CF	\$4,630,000
FF	\$0
TF	\$4,630,000

This is an auxiliary building, and it is not eligible for controlled maintenance funds under SB 09-290. In accordance with the approval process for cash-funded projects, the Department will review all budget documents submitted. The project is slated to start in June of 2015 and be completed in August 2016. The total cost is \$4.63 million, and the project will be funded through general Fund reserves.

The project is described briefly below:

“Traditional Dormitories Renovation” – This project is a capital renewal project designed to replace aging and worn finishes including carpet, drywall repair and paint in current dormitories. The sewer will be replaced, fire safety will be improved, and other general renovations will be conducted to bring the building up to standards.

The Student Center Renovation Phase I is an Intercept project \$11.9 million. This phase of the project was originally approved in April, 2012 for \$9.6 million. The project was delayed by CSM to keep the food facilities open during the construction of the new Elm Dining Hall. In the interim, CSM found it advantageous to add some minor scope to project without changing the

original program plan, and do deferred maintenance on the building. The additional \$2.3 million is over 15% of the previously approved cost amount, and it requires re-approval by CCHE. A program plan is required for Intercept projects. The plan for this project was approved in April, 2012, which is within the three year window covered by program plan approval. The scope of the project remains fundamentally the same, and the additional requests is for additional funding to previously approve amounts for utilities and space/system components.

The Student Renovation Center is an auxiliary project costing \$11.9 million. Table 3 displays the total cost for the Student Center Renovation.

Table 3:
Two-Year Cash Funded Capital Program
FY 2014-15 List

CF	\$11,900,000
FF	\$0
TF	<i>\$11,900,000</i>

The project is described briefly below:

“Student Center Renovation Phase I” – In an effort to better serve the student population at CSM, the Student Center will be renovated to provide better access to student services, a bookstore, and a new retail style dining facility. This project will be completed through phases, and this phase consists of initial construction and site prep work. Additionally, the mechanical systems will be updated throughout the building and other deferred maintenance projects will be completed in preparation for additional phases.

IV. STAFF RECOMMENDATIONS

Staff recommends that the Commission approve the Two-Year Cash Funded Capital Program list for Colorado School of Mines, and forward the list to the Office of State Planning and Budgeting and the Capital Development Committee.

STATUTORY AUTHORITY

C.R.S. 23-1-106 (7)

(c) (I) The commission annually shall prepare a unified, two-year capital improvements report for projects to be constructed or acquired pursuant to subsection (9) or (10) of this section and estimated to require total project expenditures exceeding two million dollars, coordinated with education plans. The commission shall transmit the report to the office of state planning and budgeting, the governor, and the general assembly, consistent with the executive budget timetable.

(II) (A) Commencing in the 2010 regular legislative session, and in each regular legislative session thereafter, the commission shall submit the two-year projections prepared by each state institution of

higher education for the 2010-11 and 2011-12 fiscal years, and for each two-year period thereafter as applicable, to the office of state planning and budgeting and the capital development committee. Beginning in the 2010 regular legislative session and in each regular legislative session thereafter, the capital development committee shall conduct a hearing on the projections and either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each projection.

(B) A state institution of higher education may submit to the staff of the capital development committee, the commission, and the office of state planning and budgeting an amendment to its approved two-year projection. The capital development committee shall conduct a hearing on the amendment within thirty days after submission during a regular legislative session of the general assembly or within forty-five days after submission during any period that the general assembly is not in regular legislative session. The capital development committee shall either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each amendment.

ATTACHMENT A: Two-Year Cash Funded Capital Program List – Colorado School of Mines.